

This Instrument
Was Prepared By,
And When Recorded,
Should Be Mailed To:



99641455

John P. Ascher
Assistant Vice President
Corus Bank, N.A.
3959 N. Lincoln Avenue
Chicago, Illinois 60613



FIRST NOTE AND MORTGAGE MODIFICATION AGREEMENT

This First Note and Mortgage Modification Agreement made as of March 8, 1999, by and between Nino Michael and Alice Michael, his wife, presently residing at 2955 West Catalpa, Chicago, Illinois 60625 (hereinafter collectively referred to as the "Maker") and Corus Bank, N.A., (hereinafter referred to as the "Lender").

WITNESSETH:

WHEREAS, the Lender is the owner and holder of a certain Mortgage Note (hereinafter referred to as the "Note") in the original principal amount of Three Hundred Thousand and no/100--Dollars (\$300,000.00) from the Maker dated January 26, 1999 payable to the order of the Lender; and

WHEREAS, said Note is secured by that certain Mortgage, Assignment of Rents, Security Agreement and Fixture Financing Statement dated January 26, 1999 and recorded on January 28, 1999 with the Recorder of Deeds of Cook County, Illinois as document number 99093453 with respect to the real estate legally described on Exhibit A attached hereto (the "Mortgage"); and

WHEREAS, the Note is due and payable on February 1, 2004 (the "Maturity Date") and has a present outstanding principal balance of Three Hundred Thousand and no/100--Dollars (\$300,000.00); and

WHEREAS, the interest rate on the Note is presently equal to eight and sixty seven hundredths percent (8.67%) per annum (the "Interest Rate"); and

WHEREAS, payments of principal and interest on the Note are presently payable in 59 monthly installments of \$2,658.87 commencing on March 1, 1999, and continuing on the first day of each month to and including January 1, 2004, with a final payment of all principal and interest, if not sooner paid, due on the Maturity Date; and

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WHEREAS, the Note may presently be prepaid subject to a prepayment charge as detailed in Section 3 of the Note; and

WHEREAS, the Maker and the Lender have agreed to modify the Maturity Date, Interest Rate, monthly payments, and prepayment charges of said Note and Mortgage in the manner described below.

NOW, THEREFORE, in consideration of Ten and no/100--Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and in further consideration of the mutual promises contained herein, Maker and Lender agree as follows:

1. As of the date hereof, the Maturity Date of the Note is hereby amended/accelerated from February 1, 2004 to August 1, 2000.

2. Effective January 26, 1999, the Interest Rate is hereby modified to equal one percent (1.00%) above the rate charged from time to time by the Lender and identified by it as its prime rate (the "Prime Rate") which rate might not necessarily be the lowest rate of interest charged by the Lender. Effective January 26, 1999, the Interest Rate shall be adjusted whenever the Prime Rate changes. Interest shall be calculated on the basis of a year consisting of 360 days and charged for the number of days actually elapsed.

3. As of the date hereof, interest only payments shall be due and payable monthly in arrears commencing effective March 1, 1999 and continuing on the first day of each month thereafter to and including July 1, 2000, with a final payment of the entire unpaid principal balance and all accrued and unpaid interest and charges due and payable on the earlier of the August 1, 2000 or the date to which the indebtedness evidenced by the Note, as modified hereby, is accelerated as provided under the Note, as modified hereby.

4. As of the date hereof, the outstanding indebtedness evidenced by the Note, as modified hereby, may be prepaid at any time, in whole or in part, without payment of any prepayment charge.

5. The Maker acknowledges that the Note, as modified hereby, is secured by (i) the Mortgage (ii) that certain Guaranty Agreement (the "Guaranty") dated January 26, 1999 executed by John C. Michael in favor of Lender, and (iii) other documents evidencing or securing the repayment of the Note, as modified hereby (this First Note and Mortgage Modification Agreement, the Note, the Mortgage, the Guaranty and all other documents evidencing or securing the indebtedness evidenced by the Note, as

modified hereby, which are executed and delivered to Lender as additional evidence of or security for repayment of the Note, as modified hereby, whether now or hereafter existing, and all renewals, extensions, modifications, and amendments thereof and thereto, are collectively referred to herein as the "Loan Documents"). All of the agreements, conditions, covenants, provisions and stipulations contained in the Loan Documents are hereby made a part of the Note, as modified hereby, to the same extent and with the same force and effect as if they were fully set forth herein, and Maker covenants and agrees to keep and perform them or cause them to be kept and performed, strictly in accordance with their terms.

6. Maker acknowledges that it has thoroughly read and reviewed the terms and provisions of this Agreement and is familiar with them. Maker clearly understands the terms and provisions of this Agreement and has fully and unconditionally consented to them. Maker has had the full benefit and advice of counsel of its own selection, or the opportunity to obtain the benefit and advice of counsel of its own selection, in regard to understanding the terms, meaning, and effect of this Agreement, with full knowledge, and without duress. In executing this Agreement, Maker is not relying on any representations, written or oral, express or implied, made to Maker by any party to the Agreement. Maker acknowledges that the consideration received or to be received under this Agreement is actual and adequate.

7. As additional consideration for the modification of the terms of the Note and Mortgage by Lender, as described above, Maker releases and forever discharges Lender, and its agents, servants, employees, directors, officers, attorneys, branches, affiliates, subsidiaries, successors and assigns and all persons, firms, corporations and organizations on its behalf, from all damage, loss, claims, demands, liabilities, obligations, actions and causes of action of whatever kind or nature which Maker may now have or claim to have against Lender as of the effective date of this Agreement, whether presently known or unknown, on account of or in any way affecting, concerning, arising out of, or founded on the Note and Mortgage, as modified by this Agreement, or any of the other Loan Documents. This includes, but is not limited to, all such loss or damage of any kind suffered or sustained prior to and including the effective date of this Agreement, and arising as a consequence of the dealings between the parties. This Agreement and covenant on the part of the Maker is contractual, and not a mere recital. The parties acknowledge and agree that no liability whatsoever is admitted on the part of any party, except Maker's indebtedness to Lender under the Note and Mortgage, and that all agreements and understandings between Maker and Lender are expressed and embodied in the Note and Mortgage, as modified by this Agreement, and the other Loan Documents.

8. Nothing contained in this Agreement shall in any manner impair the Note and Mortgage, as modified, or the first lien created, or any other documents (including, without limitation, the Loan Documents) executed by Maker in connection with the modification, or alter, waive, vary or affect any promise, agreement, covenant or condition recited in any of the foregoing documents, except as expressly provided in this Agreement, or affect or impair any rights, powers, or remedies of Lender under any of the foregoing documents. Except as otherwise provided, all terms and provisions of the Note, Mortgage, the Loan Documents and any other instruments and documents executed in connection with the mortgage loan shall remain in full force and effect and shall be binding on the parties, their successors and assigns.

IN WITNESS WHEREOF, said Nino Michael and Alice Michael have executed this First Note and Mortgage Modification Agreement as of the day and year first above written.

X: *Nino Michael*
Nino Michael

X: *Alice Michael*
Alice Michael

AGREED TO AND ACCEPTED BY:

CORUS BANK, N.A.

BY: *[Signature]*
ITS: Asst. Vice President

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EXHIBIT A

LOT 68 IN BLOCK 2 IN KRENN AND DATO'S ADDITION TO NORTH EDGEWATER, A SUBDIVISION IN THE EAST ½ OF THE NORTH WEST ¼ OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Tax Index No.: 13-01-120-008

Property Address: 6127 North Francisco
Chicago, Illinois 60659

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